



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

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M E M O R A N D U M
#07-14

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: March 21, 2007

SUBJECT: ANNUAL FIXED ASSETS INVENTORY & TRAINING

The purpose of this memo is to remind fiscal officers about their duty to perform a physical inventory of fixed assets at least once every two years and to establish the dates for training on fixed asset policy and data entry.

Once again, we need to stress the importance of accurate fixed asset reporting for the preparation of the State's Comprehensive Annual Financial Report (CAFR). Fixed assets are the largest single category on the State's balance sheet. In order to maintain a clean audit opinion and a strong bond rating, it is absolutely essential that the information in the Fixed Asset Subsystem is correct.

The GAAP Report of Fixed Assets (Report number F25F2705) will be available through Mobius after **April 1, 2007**. This report shows only those items which will be used as the basis for reporting fixed assets in the fiscal year 2007 CAFR. Please review this report carefully and make any necessary adjustments, such as additions and deletions, prior to the close of the fiscal year.

RECURRING FIXED ASSET TRAINING

The Division of Accounting will be offering training for employees new to fixed assets and those needing refresher training. The two training courses offered are:

- Fixed Asset Policy Manual training, **May 9th from 9 AM to Noon**, Division of Accounting Conference Center, 2nd Floor, Webb Bldg, 820 Silver Lake Blvd, Dover.
- Fixed Asset Data Entry and Payment Voucher training, DTI Computer Lab, 801 Silver Lake Blvd. Dover on **May 9th or 29th from 1 to 4 PM** OR **May 2nd, 15th, 23rd, or 31st from 9 AM to Noon.**

Please fill out the registration form at <http://www.state.de.us/account/TrainingCourses.shtml>

REPORTING CRITERIA FOR FIXED ASSETS

All furniture, equipment, and vehicles with a useful life of more than one (1) year and a purchase or acquisition cost of more than \$25,000 per item are required to be included and maintained in the State's Fixed Asset Subsystem. Furthermore, all buildings and land are to be reported in the Fixed Asset Subsystem **at any value**. Building improvements and land improvements are to be reported if the cost is greater than \$100,000. Computer software must be reported with a value of \$1 million or more. Please refer to the Fixed Asset Accounting Manual for further information and instruction.

Construction-work-in-progress will be reported as part of the GAAP package and entered on-line into the GMEN System. Computer software-in-progress should be tracked similar to construction-work-in-progress. It should also be reported as part of the GAAP package and entered in the GMEN system. Please refer to the GAAP Manual for instructions.

PHYSICAL INVENTORY

In accordance with the Budget and Accounting Policy Manual (Section IV, C, 1,a, (1), (a)), "A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years." If you have not performed a physical inventory within this timeframe, you must conduct one prior to **June 30, 2007**, and complete the attached Property Inventory Reconciliation form. The certification form, found on the division's website, must be completed and returned to this office, to the attention of Walter Konek by **July 30, 2007**. Documentation to support the completion of a physical inventory must be made available for review by the Division of Accounting and the external auditors during the fiscal year 2007 financial audit.

The State has a significant investment in fixed assets. To improve financial reporting, accountability and operational efficiencies in managing these assets, we must continue to maintain accurate property inventory records. Your assistance is greatly appreciated.

Thank you for your cooperation. If you have any questions concerning the above, please contact Walter Konek at (302) 672-5504 or Linda Murabito at (302) 672-5527.

MEMORANDUM

TO: Walter Konek, CPA
Division of Accounting

FROM: _____

DEPT: _____

SUBJECT: PROPERTY INVENTORY RECONCILIATION - FY 2007

I certify that a physical inventory has been performed and reconciled with the annual GAAP Report of Fixed Assets (F25F2705) as of _____, and conducted in accordance with the Budget and Accounting Policy Manual (Section IV,C, 1,a,(1),(a)). Furthermore, the Fixed Asset Subsystem has been updated to reflect all purchases and acquisitions as well as deletions during the past fiscal year.

Signed: _____
Responsible Official

Date: _____

This form is due in the Division of Accounting by **July 30, 2007**.
(FAX number 302-739-1304)

FY 2007 FIXED ASSET Class Registration Form

Two types of classes are being offered:

- Fixed Asset Policy Manual training, May 9th from 9 AM to Noon., Division of Accounting Conference Center, 2nd Floor, Webb Bldg, 820 Silver Lake Blvd,-Dover.
- Fixed Asset Data Entry and Payment Voucher training, DTI Computer Lab, 801 Silver Lake Blvd., Dover May 9th or 29th from 1 to 4 PM OR May 2nd, 15th, 23rd, or 31st from 9 AM to Noon.

NOTE: Not required if previously taken, unless refresher training is needed.

Please fill in the appropriate section below and return your registration early, as **class size is limited**. Your registration will be confirmed.

CLASSES FOR FIXED ASSET POLICY MANUAL TRAINING: May 9th from 9 AM to Noon

| First | Last Name | Agency # | Dept | Division | Phone | Training Date |
|---------|-----------|----------|---------|------------|----------|---------------|
| | | | | | | |
| | | | | | | |
| Example | | | | | | |
| Lewis | Brooks | 25-05-01 | Finance | Accounting | 672-5524 | 05/09/07 |

CLASSES FOR FIXED ASSET DATA ENTRY AND PAYMENT VOUCHER TRAINING:

May 9th or 29th from 1 to 4 PM OR May 2nd, 15th, 23rd, or 31st from 9 AM to Noon.

| First | Last Name | Agency # | Dept | Division | Phone | Training Date |
|-------|-----------|----------|------|----------|-------|---------------|
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Please use Mapquest.com for directions to either 820 (Division of Accounting) or 801 (DTI) Silver Lake Blvd.

Return completed form by April 21, 2007 to Lewis Brooks at Lewis.Brooks@state.de.us

For those without Internet or electronic file transfer capability, fax your form to (302) 739-1200.
